

# Joining Forces

## *Banker Collaboratives Seek Greater Community Development Impact*

**C**ollaboration among government agencies, non-profit organizations, and local residents has nearly become standard practice within the community development field. How else would it be possible to mobilize the resources and knowledge needed to tackle the multifaceted problems of poverty and disinvestment? Collaboration among private firms, however—and especially among competitors—is much less common. Yet this is precisely what many banks, particularly in the area of community development, are doing.

As research increasingly demonstrates that community development requires the strategic deployment of significant resources, banks are realizing that by working together, their CRA activities can have a bigger impact. “It’s too big a task for any one bank to do on its own,” says Nancy Hamilton, vice president for community development at Wells Fargo in Nevada and a member of the Nevada Bankers Collaborative. “Through collaborating and sharing our collective experiences we can do an even better job of making a difference in the lives of low income families in our community.”

To facilitate the establishment of formal bank collaboratives, the Community Development Department has been working in a number of states to provide convening support and technical assistance on how collaboratives can be structured and what activities they can undertake. Jan Bontrager, the regional manager for Arizona, Utah and Nevada, has been supporting the work of existing and emerging bank collaboratives within her region. “It’s one of the best parts of my job,” says Jan. “Establishing a collaborative is far from easy—a lot goes into figuring out decision-making processes, the emphasis of a collaborative’s work, and what each bank can or will contribute. But when the pieces finally come together, it’s inspiring.”

The Nevada Bankers Collaborative, established in late 2002, has successfully launched an IDA program as well as an initiative to support nonprofit capacity building in Nevada. The collaborative structure has already led to tangible benefits for participating banks. For example, by being part of the collaborative, small banks in Nevada can contribute modest amounts of money to the IDA program, yet still be involved in a program that is of large enough scale to have an impact. The Nevada collaborative also provides an investment vehicle for the limited purpose banks that would not otherwise be involved in managing the accounts. Of significance is that the collaborative achieves economies of scale

in administering funds, can coordinate fundraising efforts, and serves as a centralized source of technical expertise for community groups. Now, the collaborative is exploring how it can expand its efforts by collectively investing in and supporting neighborhood revitalization efforts in Las Vegas.

---

*“Through collaborating and sharing our collective experiences we can do an even better job of making a difference in the lives of low income families in our community.”*

In Arizona, Jan helped to organize introductory meetings throughout 2007 with a group of CRA officers from around the state. These exploratory convenings led to the formation of the Arizona Community Reinvestment Collaborative (ACRC), due to be introduced by taskforce members in early 2008 to other bankers, community leaders and non-profit organizations. Barbara Boone, senior vice president at Alliance Bank of Arizona, said that the idea for ACRC came out of a desire to meet the needs of local nonprofits. “We kept hearing from nonprofits that they need more general operating funds, help with developing marketing strategies, and technical assistance. No one bank has the resources—either investment dollars or the time for services—to meet all those needs. But together we can make a difference and support community development in Arizona.” The mission of ACRC will be to support the development and stabilization of affordable housing in Arizona. In this regard, the steering committee plans to work closely with the AZ Foreclosure Prevention Taskforce and raise funds to support homeownership counselors working with distressed borrowers. The collaborative also plans to host meetings for nonprofits to network and share best practices with each other.

Overall, collaborative structures can boost the ability of banks to contribute to sustainable and holistic community development efforts. As Boone noted, “By coming together, we can learn from each other and draw on each other’s strengths and resources. Our hope is that by working together, we’ll be more likely to have a large and long-lasting impact on the community.” 